

VIRGINIA'S FLOODPLAIN MANAGEMENT PROGRAM



Department of Conservation & Recreation

Fact Sheet

Fact Sheet No. 5 Probation and Suspension from the National Flood Insurance Program

A. What happens when a community does not enforce its floodplain management ordinance?

1. Communities are required to adopt and enforce a floodplain management ordinance that meets minimum NFIP requirements. Communities that do not enforce these ordinances can be placed on probation or suspended from the program. This is done only after FEMA and the State NFIP Coordinator have provided assistance to the community to help it become compliant.
2. If a community fails to enforce its local ordinance it may be placed on probation until all program deficiencies have been corrected and violations remedied to the maximum extent possible. In addition, a \$50 surcharge will be placed on all flood insurance policies in the community for at least one year.

B. What is probation from the NFIP and its impact on a community?

1. Probation is the formal notification by FEMA to a community that its floodplain management program does not meet NFIP criteria. It is an action authorized under Federal regulations.
2. A community can be placed on probation 90 days after FEMA provides written notice to community officials of specific deficiencies. Probation generally is imposed only after FEMA has consulted with the community and has not been able to resolve deficiencies. The FEMA Regional Director has the authority to place communities on probation.
3. After notification is given to a community, probation becomes effective unless local officials take the necessary steps to correct the program deficiencies, remedy the violations, and demonstrate effective implementation of the local ordinance in support of the NFIP requirements.
4. Probation may be continued for up to 1 year after the community corrects all Program deficiencies and remedies all violations to the maximum extent possible.
5. The \$50 surcharge that is added to the premium for each policy sold or renewed in the community is intended to focus the attention of policyholders on the community's non-compliance to help avoid suspension of the community, which has serious adverse impacts on those policyholders. Probation does not affect the availability of flood insurance.

C. What is suspension from the NFIP and its impact on a community?

1. Suspension of a participating community (usually after a period of probation) occurs when the community fails to solve its compliance problems or fails to adopt an adequate ordinance. The community is provided written notice of the impending suspension and granted 30 days in which to show cause why it should not be suspended.

DIVISION OF DAM SAFETY & FLOODPLAIN MANAGEMENT

Phone: 804-371-6095

FLOODPLAIN MANAGEMENT PROGRAM:

- ✓ *Planning & Enforcement Assistance*
- ✓ *Flood Insurance*
- ✓ *Technical & Flood-proofing Assistance*
- ✓ *Cooperating Technical Partners*
- ✓ *Map Modernization & Prioritization*
- ✓ *Substantial Damages & Increased Cost of Compliance*
- ✓ *Community Rating System*
- ✓ *No Adverse Impact*
- ✓ *Workshops*

Floodplain Program Manager:
Corey Garyotis (804) 786-8073
corey.garyotis@dcv.virginia.gov

Floodplain Program Planner
Mark Slauter (804) 371-6135
mark.slauter@dcv.virginia.gov

Floodplain Program Engineer
David Gunn (804) 786-1369
david.gunn@dcv.virginia.gov

DCR Floodplain Mgt. Program
www.state.va.us/dcr/sw/floodpln.htm



VIRGINIA'S FLOODPLAIN MANAGEMENT PROGRAM

Fact Sheet No. 5 (continued)

Probation and Suspension from the National Flood Insurance Program

C. What is suspension from the NFIP and its impact on a community? (cont'd)

2. Policies in force at the time of suspension continue in force for the policy term. Three-year policies remain in force until the next annual anniversary date of the policy.
3. Suspension is imposed by the Associate Director, Mitigation Directorate, FEMA. If suspended, the community becomes non-participating and flood insurance policies cannot be written or renewed.
4. Suspension from the program would mean that people living in the community would not be able to purchase flood insurance and federal agencies would be prohibited from making grants, loans or loan guarantees for properties in the flood hazard area. Furthermore, if a flood disaster occurs, certain types of federal disaster assistance would not be available.
5. If a community fails to take remedial measures, it may be suspended from the National Flood Insurance Program which will have the following effects on the community:
 - a. Flood insurance is not available on buildings located within non-participating or suspended communities. No owner of a residence, business or public building will be able to purchase a flood insurance policy.
 - b. Federal grants, loans, or loan guarantees are prohibited for buildings located in identified flood hazard areas. Includes all Federal agencies such as HUD, EPA, SBA, HHS, DOT, DOE, etc.
 - c. Certain types of Federal disaster assistance would not be available for victims in identified flood hazard areas, particularly if flood insurance is a condition of the assistance (i.e. disaster recovery loans and grants).
 - d. No Federal mortgage insurance may be provided in identified flood hazard areas. This includes FHAM, VA, SBA and FNMA.
 - e. Actuarial rates go into effect regardless of whether or not a community participates in the program. Unprotected construction today may be prohibitively expensive to insure should the community later re-enter the program.
 - f. Local governing body may be susceptible to some form of liability by not participating because their action: (1) denies the ability of its citizens to purchase flood insurance, and (2) does not take positive steps to reduce the exposure of life and property in the face of authoritative scientific and technical data.
 - g. Legislative changes to FDPA (Flood Disaster Protection Act) restriction on conventional loans in non-participating communities replaced by requirement that lenders:
 - (1) must notify buyer or lessee that property is in flood area, and
 - (2) must notify buyer or lessee that property in flood hazard area is not eligible for Federal disaster relief in a declared disaster.

